Think with Google

Decoding Decisions

Making sense of the messy middle

LOCAL RESULTS: **SWEDEN**

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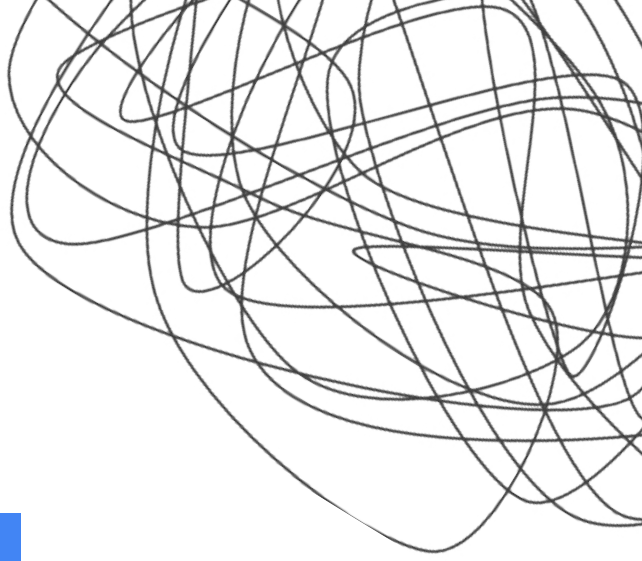
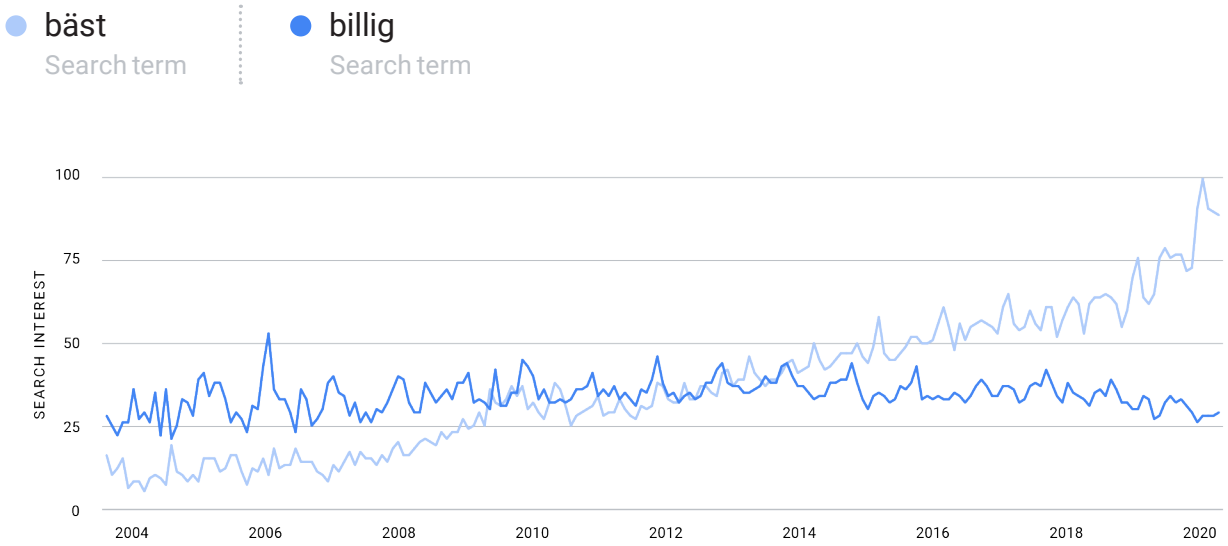


1 Introducing the messy middle

The way people make decisions is messy — and it's only getting messier. Still, there are a few things we know about purchase behaviour. We know that what happens between trigger and purchase decision-making is not linear. We know there is a complicated web of touchpoints that differs from person to person. What is less clear however, is how shoppers process all of the information and choice they discover along the way. And what is critical, what we set out to understand with this new research, is how that process influences what people ultimately decide to buy.

As the internet has grown, it has transformed from a tool for comparing prices to a tool for comparing, well, everything. That's clear in how we've seen purchase behaviour change over the years on Google Search.

Figure 1



Source: Google Trends, Sweden, 2004–January 2021

Take the terms “billig” (cheap) and “bäst” (best). Worldwide, search interest for “best” has far outpaced search interest for “cheap”. And this also holds true for Sweden (see Figure 1) .

While the precise value of “cheap” may vary between individuals, it still carries a singular meaning. “Best”, on the other hand, can have a wide range of meanings, including value, quality, performance, or popularity.

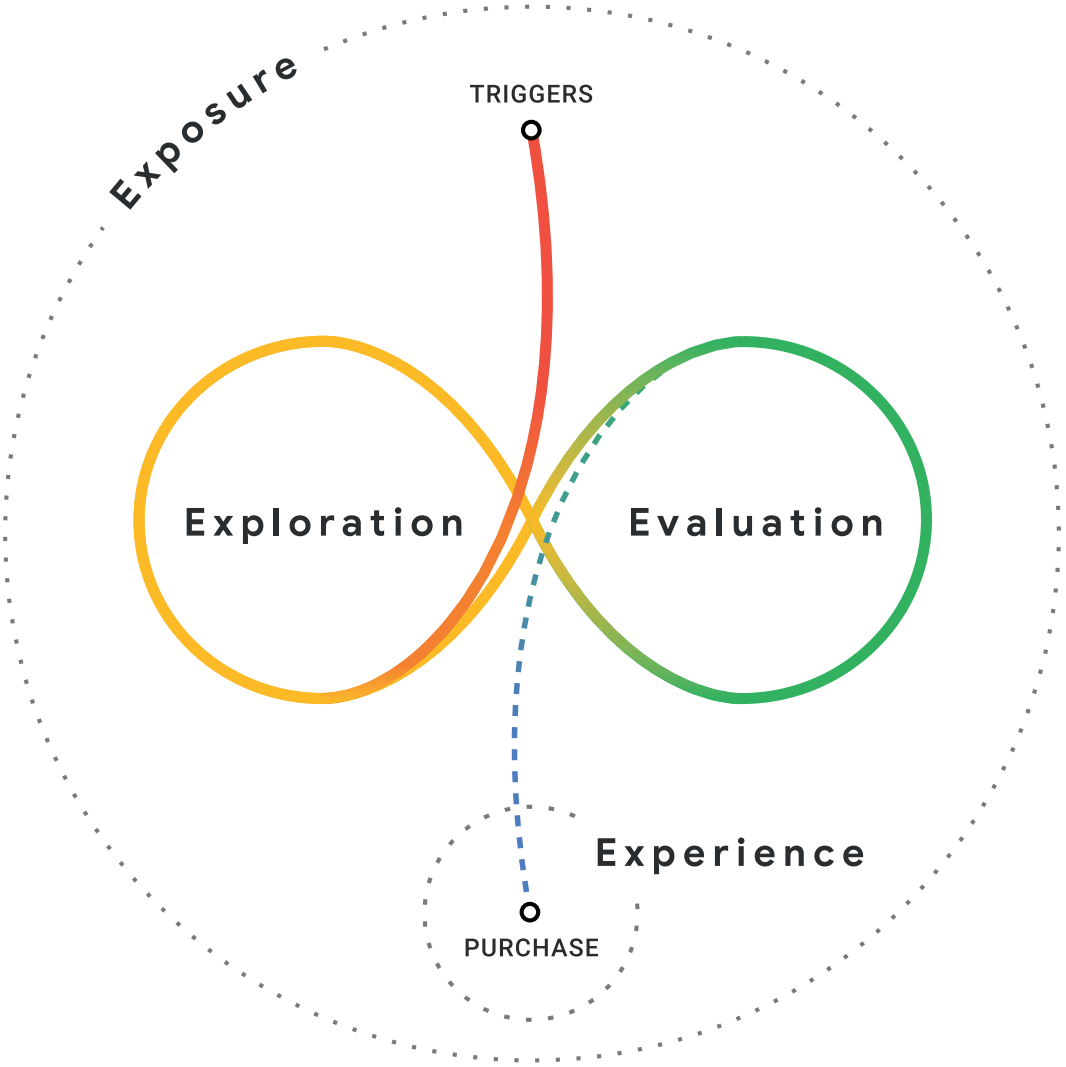
So how does a shopper determine which product best meets their needs, and ultimately make a purchase decision? The answer, as we’ll see, varies between consumers.

2 The messy middle model

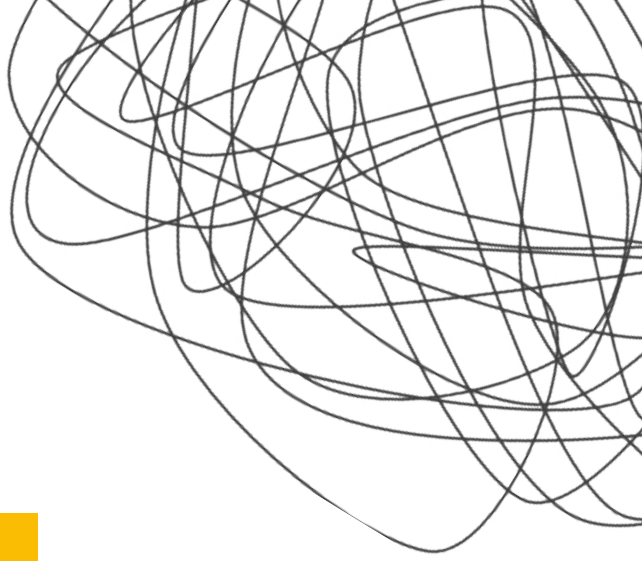
Through the research, an updated decision-making model began to take shape. In the center of the model lies the messy middle — a complex space between triggers and purchase, where customers are won and lost.

People look for information about a category's products and brands, and then weigh all the options. This equates to two different mental modes in the messy middle: exploration, an expansive activity, and evaluation, a reductive activity.

Whatever a person is doing, across a huge array of online sources, such as search engines, social media, aggregators, and review websites, can be classified into one of these two mental modes.



People loop through these twin modes of exploration and evaluation, repeating the cycle as many times as they need to make a purchase decision.



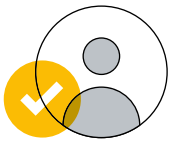
3 Behavioural biases

A summary of six biases

As people explore and evaluate in the messy middle of the decision-making process, cognitive biases shape their shopping behaviour and influence why they choose one product over another. While many hundreds of these biases exist, we prioritised six in our research:

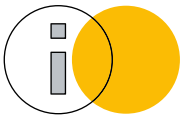
Social Proof:

Recommendations and reviews from others can be very persuasive.



Authority bias:

Being swayed by an expert or trusted source.



Category heuristics:

Short descriptions of key product specifications can simplify purchase decisions.

Power of free:

A free gift with a purchase, even if unrelated, can be a powerful motivator.

Scarcity bias:

As stock or availability of a product decreases, the more desirable it becomes.

Power of now:

The longer you have to wait for a product, the weaker the proposition becomes.

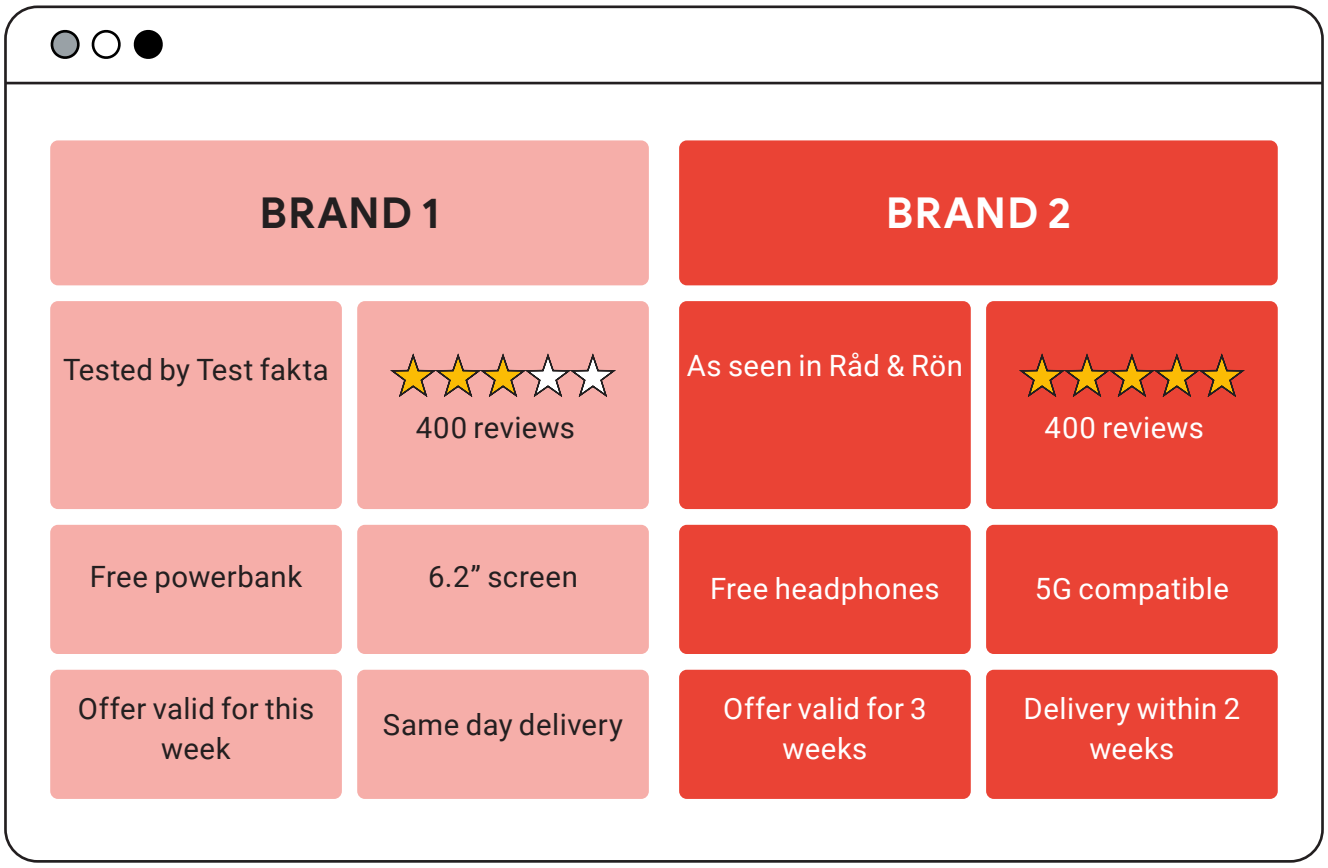
4 The simulation

These six behavioural biases formed the basis for our large-scale shopping experiment, first conducted in the UK, with 1,000 real in-market shoppers per category, simulating 310,000 purchase scenarios across 31 different product categories. The same study has now also been conducted locally, by simulating 50,000 purchase scenarios, across five categories, among Swedish consumers.

The objective of these simulations was to understand how marketing effectiveness can be improved in the messy middle, using behavioural science principles to shift or even completely disrupt brand preference. This required us to:

1. Quantify and measure the importance of brand preference in the messy middle
2. Quantify and measure the susceptibility of those preferences to disruption through the application of the six cognitive biases
3. Understand how the above varies across different product categories and verticals

Figure 1

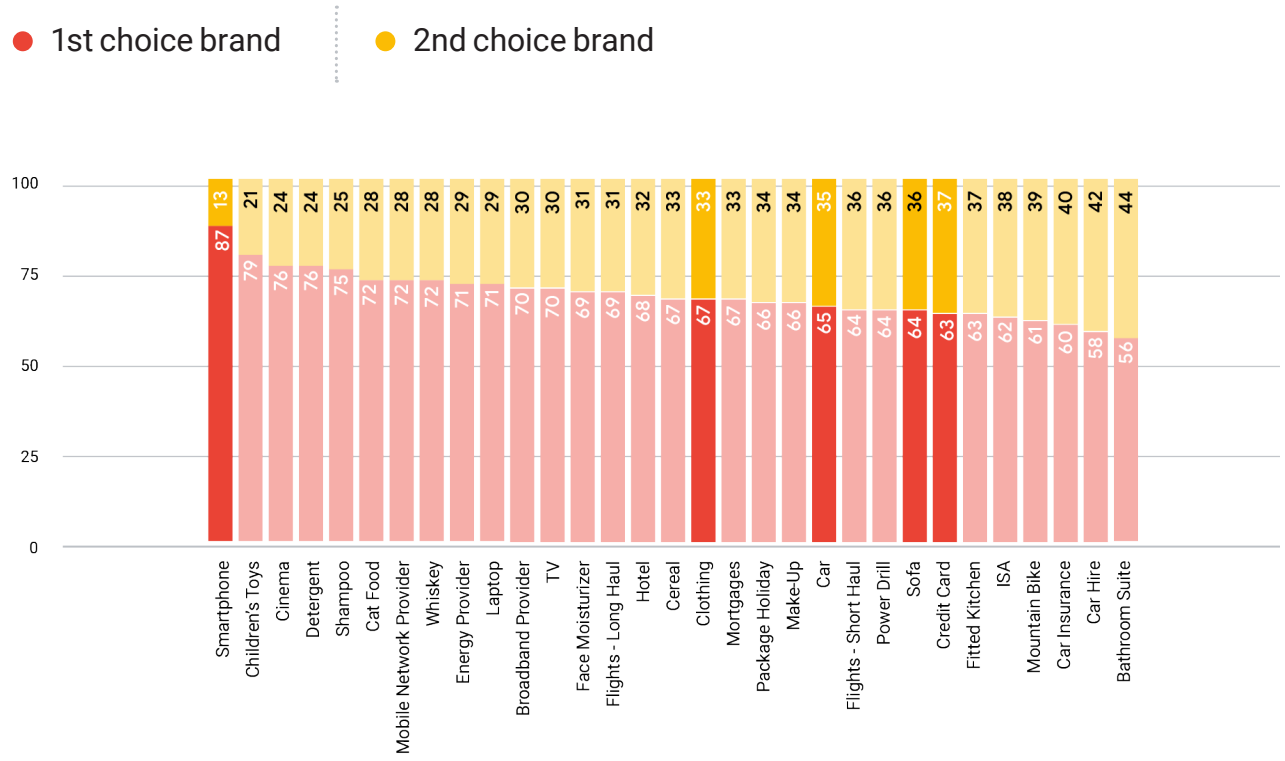


Examples of the simulation interface, taken from Smartphone category

In the experiment, shoppers were asked to pick their first and second favourite brands within a category in a simulated website experience (see Figure 1). Each brand was provided with additional product information, which is where our behavioural science principles were applied during testing. For example, star ratings were varied to test different applications of social proof, varying degrees of availability were included to test the impact of scarcity bias.

Implicit in the structure of our experiment is the idea that to take preference share away from a competitor brand, you have to be present when consumers are in consideration mode. What we found in our first analysis of the simulation data is that there is surprising power in just showing up in the right moment. As you can see below (Figure 2), when a second favourite brand was introduced as an option, a significant share of shoppers changed away from their first preference.

Figure 2

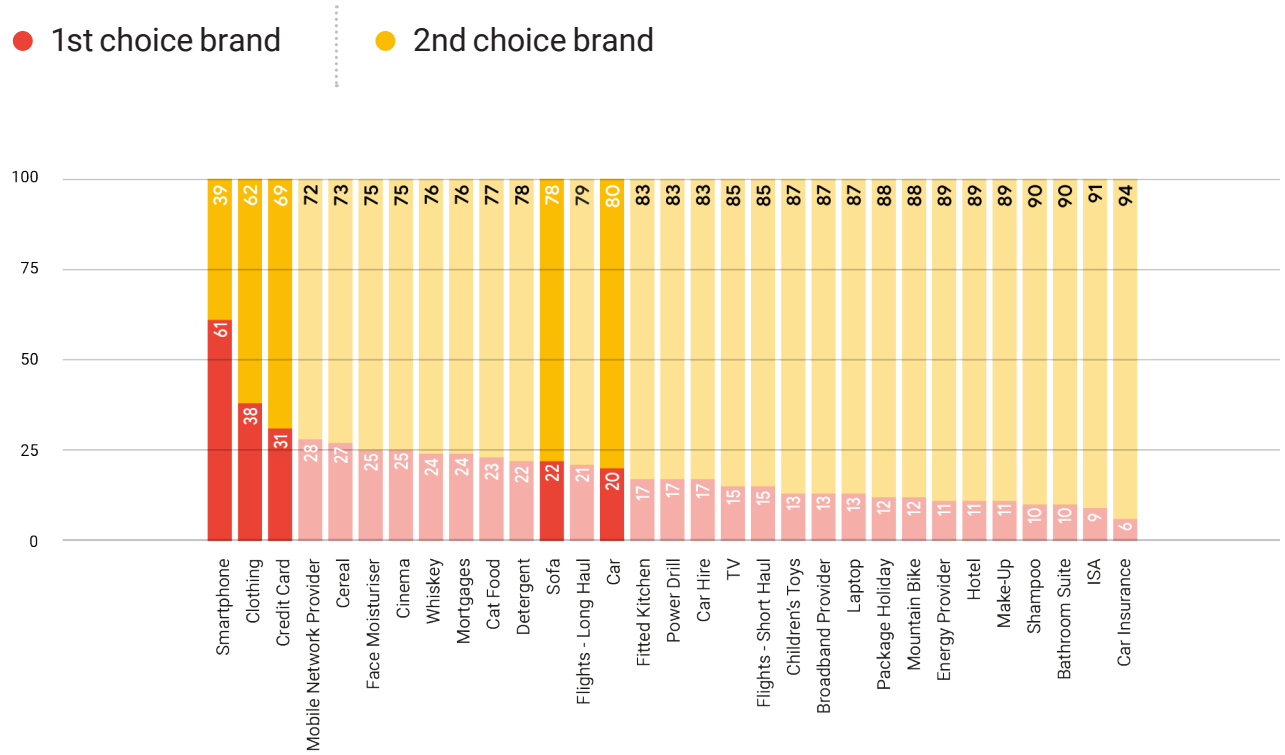


Transfer of preference from first choice to second choice brand after introduction of second choice brand, all categories.

After repeating this experiment across a range of categories, we then wanted to see how much more brand preference could be won if the second favourite brands were “supercharged” with strong expressions of all six biases.

The results are impressive — or alarming, depending on your point of view. When the second choice brand is supercharged across all biases (Figure 3), it can take a significant share of preference away from customers’ first choice.

Figure 3

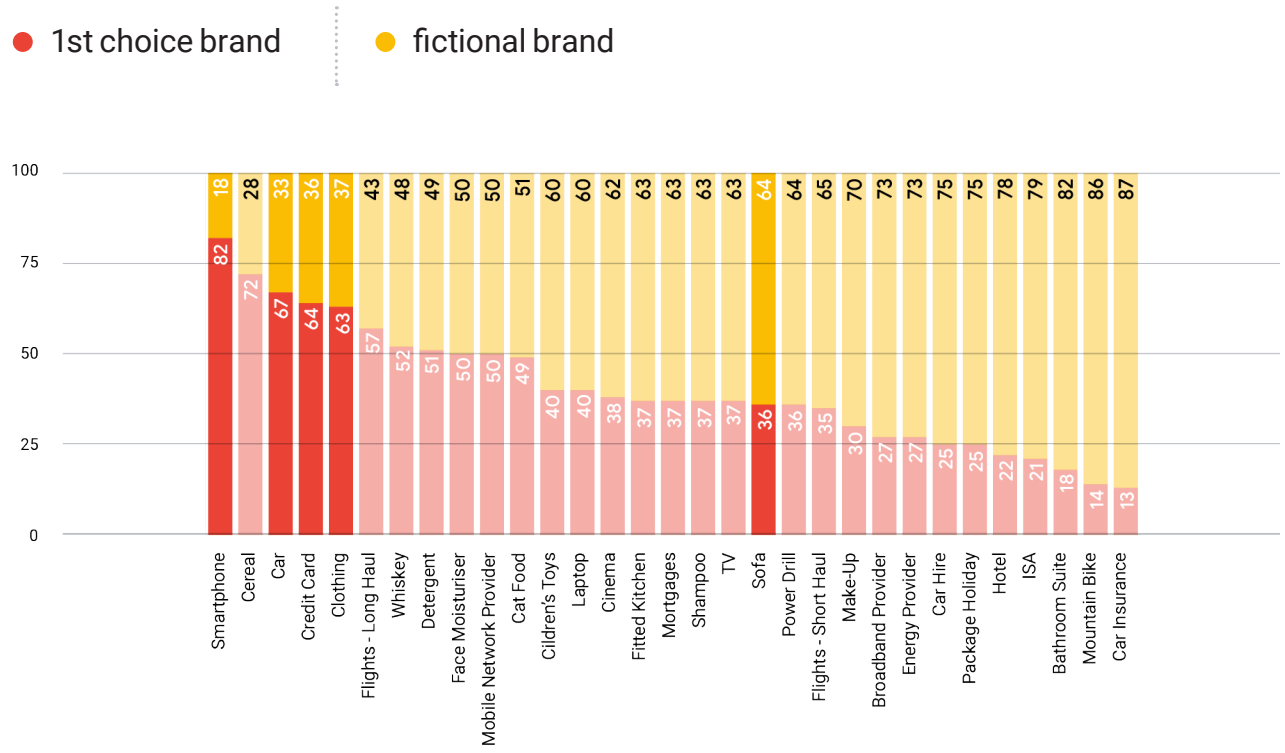


Transfer of preference from first choice to second choice – bias supercharging analysis, all categories.

Finally, to explore the most extreme implications of our findings, we introduced a fictional brand for each of the five categories we studied in Sweden, to assess how much preference an unknown challenger brand might take if it was supercharged across all biases.

Looking at the fictional brand scenario (Figure 4), we can see that many Swedish shoppers changed their preference from the established favourite to a fictional brand with a superior expression across each of the six biases. This is broadly in line with the results we saw in the UK.

Figure 4



Transfer of preference from first choice to fictional brand – bias supercharging analysis, all categories.

The experiment showed that behavioural science principles — when correctly applied to the needs they align with — are powerful tools for winning and defending consumer preference in the messy middle.

Our tests demonstrate the fluidity of preference between trigger and purchase with statistical validity. However, the results of a simulation are indicative by default, and as such our recommendations should not be seen as a substitute for your own rigorous, in-market testing.

4.1. Local nuances

It has become clear that behavioural science principles apply to Sweden just as much as they did to the UK in the first version of this report.[1] Although brands and the implications of the biases might differ between countries, human decision making remains similar, especially in the messy middle. The data from Sweden also provided some other highly interesting findings, especially for brands operating in multiple markets.

1. Category is more important than country

The study shows that it is more important to know the impact of behavioural science on each category than each country. For example, smartphones in Sweden proved to be the category least affected by supercharging. This was in line with the UK findings.

Likewise, there were broad similarities between the Sweden and the UK in terms of the impact the six different biases have on different categories. In both markets, the impact of 'power of free' is higher for sofas than it is for smartphones, for example. This means that it is more useful to learn more about a specific category by looking at results from other markets, than to compare between different categories within the same market.

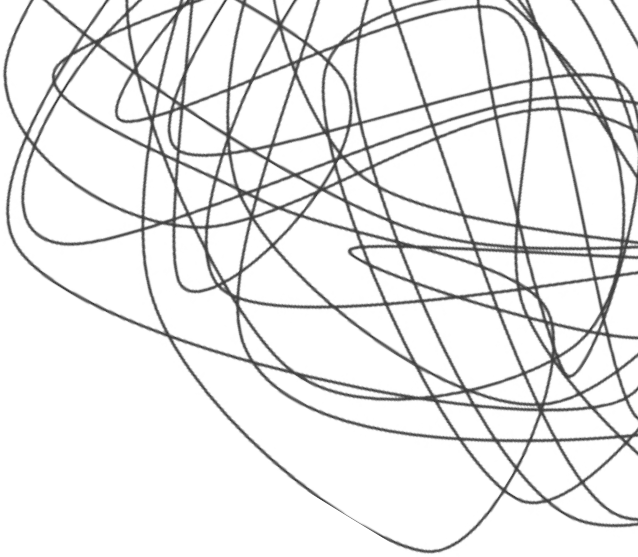
1 Source: Google/The Behavioural Architects, Decoding Decisions: Making Sense of the Messy Middle, n=31,000 consumers in the U.K., August 2020.

2. Brands are slightly more powerful in Sweden

Even though local context, implications, and biases were accounted for, the study shows that brands play a slightly different role in Sweden than it did in the UK

As shown in Figure 3, second choice brands have a much harder time challenging the favourite brand. And we see this again when even a supercharged fake brand (Figure 4) had less of an impact than in the UK across the five categories.

While our simulation data shows that Swedish respondents tend to place a higher importance on brands, the study unfortunately does not tell us why this is the case. Some possible explanations may well be hidden in the size of the market as well as local market dynamics.



5 Key takeaways

3 marketing priorities to win in the messy middle

The path to business recovery offers more opportunities than ever to provide consumers with the reassurance and information they need to navigate purchase decisions during COVID-19 — and in any time of unprecedented change and disruption. To win in the messy middle, there are three actions marketers must prioritise:

1. **Ensuring brand presence**, so that your product or service is strategically front of mind while your customers explore.

2. **Employ behavioural science principles intelligently (and responsibly),** so that your assets and messages become more compelling as customers evaluate their options.

3. **Close the gap between trigger and purchase**, so that your existing and potential customers spend less time exposed to competitor brands.